



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

14 March 1983

Australia: Initial Reflections on Hawke's New Cabinet [redacted]

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The Australian Labor Party (ALP) caucus last week approved Prime Minister Hawke's choices for the 27-seat cabinet. In making his appointments Hawke gained caucus approval for a division of "inner" and "outer" cabinets, placed highest priority on economic affairs, appointed like-minded allies in key positions, and resisted efforts to include more than a minimum of left-wing members. In our judgment, Hawke has used the cabinet selection process to affirm both his leadership of the Labor Party and his commitment to the moderate politics he espoused during the campaign. [redacted]

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In an unusual departure from traditional Labor party policy (and parliamentary practice in other countries), the ALP caucus approved Hawke's request to divide the cabinet into two bodies. The 13-member inner cabinet, headed by Hawke, will direct government policy. (See chart) Among its members are Paul Keating, Ralph Willis, John Button and Lionel Bowen, who together will form the core of Labor's economic strategists. In addition, we believe these men will provide Hawke with the political support to face potential dissent from within the party, Australia's fractious trade unions, and criticism from the new opposition leader Andrew Peacock. [redacted]

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Keating supported Hawke during the July 1982 leadership challenge, which Hawke lost to Bill Hayden. Willis is a long-time friend of Hawke's. Button, who heads a small independent faction in the Party, is rumored to have been instrumental in

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former party leader Hayden's resignation. Similarly, Lionel Bowen paved the way for Hawke to win the party leadership when he publicly withdrew his support for Hayden in early February.

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We believe the new cabinet confirms Hawke's intention to hold a tight rein on the party's left wing. The left was granted only four cabinet positions overall, the minimum acceptable to left-wing leaders. All four positions are relatively minor portfolios and only one is in the important inner cabinet.

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For his part, Hawke has been quick to claim publicly a qualitative improvement between his cabinet and Fraser's, and the previous Labor government cabinet under Gough Whitlam (1972-75) as well. According to Hawke, the accent of the new government will be on economic affairs and "efficiency, its hallmark." The Australian press is reacting favorably to Hawke's cabinet choices, generally commenting that the new cabinet is more competent and responsible than was the last Labor cabinet under Whitlam.

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The Cabinet

Inner

Robert Hawke	Prime Minister
Lionel Bowen	Trade/Deputy Prime Minister
John Button	Industry & Commerce
Don Grimes	Social Security
Ralph Willis	Employment & Industrial Relations
Paul Keating	Treasury
Mick Young	Special Minister of State
* Stewart West	Immigration & Ethnic Affairs
Peter Walsh	Resources & Energy
Bill Hayden	Foreign Affairs
Susan Ryan	Education & Youth Affairs
Gareth Evans	Attorney-General
Gordon Scholes	Defense

Outer

Peter Morris	Transport
John Kerin	Primary Industry
Kim Beazley	Aviation
* Brian Howe	Defense Support
Chris Hurford	Housing & Construction
John Brown	Sport, Recreation & Tourism/Admin. Services
John Dawkins	Finance
Neal Blewett	Health
Barry Jones	Science & Technology
Michael Duffy	Communications
Barry Cohen	Home Affairs & Environment
Clyde Holding	Aboriginal Affairs
* Arthur Geitzelt	Veterans' Affairs
* Tom Uren	Territories & Local Government

* Left-wing members

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